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Wind power could help fund Utah's schools

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Guest Editorial

About 180,000 additional children will enter Utah's overcrowded public schools through 2015, requiring more schools and teachers. While the budget outlook provides no easy answers for funding that expected growth, a school district in Spirit Lake, Iowa, may provide part of the solution — wind power.

Deemed foolhardy when first proposed, Spirit Lake installed a wind turbine on school property in 1993, generating more than enough electricity for the school and saving the district about $20,000 in annual energy costs. A second larger wind turbine was added last year, and after payback, the energy saving is expected to grow to about $125,000 annually — freeing up funds for teachers, buildings, and education programs.

Owing to Spirit Lake's success, Iowa now provides incentives to encourage wind development on school property. If Spirit Lake's wind initiative appears unusual, consider Milford High School in Milford, Utah. A teacher and his students participated in the Utah Energy Office's anemometer program and found that the Milford area has good wind resources. Should further testing prove that the wind is sufficient for development, Milford may develop its wind resources to help power and even fund the school. Wind power is America's fastest-growing energy source. Several western states, including Texas, Wyoming, Washington, Oregon, and California are seizing its economic benefits — wind royalties for landowners, construction and utility jobs, and business opportunities for steel, concrete, roads, turbine components, and high-technology services. Wind development is also bolstering those states' tax revenues.

Although Utah has significant untapped wind resources (see *www.wind.utah.gov*), the state provides no incentives or directives to encourage development. Wind development could support Utah schools in three ways:

- Wind farms on private land could boost property tax revenues. Increased tax revenues are typically paid by wind developers, not landowners, and go to support local schools. A recent Northwest Economic Associates study found that a small 25 megawatt wind park in Oregon generates over $243,000 in local taxes each year, and another 30 megawatt Texas facility generates annual revenues of more than $387,000.
- Wind turbines on school property could generate power for schools and reduce energy costs. Producing wind energy also could provide schools two new revenue streams: (1) surplus energy could be sold to the utility grid; and (2) "green tags" — "credits" for generating clean, renewable energy — could be sold to utilities and companies that participate in market-based programs for reducing emissions. Green tags are compliance accounting devices that show companies have supported the production of sufficient quantities of "green energy" to off-set their emissions of "brown energy" from fossil fuels. Green tag markets are expected to grow in coming years.
- Wind development on Utah's School and Institutional Trust Lands could generate wind royalty revenues for Utah's permanent school endowment fund. Although warranting anemometer testing, some trust lands are in regions likely to have developable wind resources.

Utah's Legislature could help jumpstart wind energy development. Last year, Wyoming passed a sales tax exemption for equipment used to generate electricity from renewable sources, such as wind turbines, and it has been credited for attracting the new widely-publicized $143 million wind park near Evanston. Its long-term economic benefits will far outweigh the short-term loss from the tax exemption. To be competitive for attracting multi-million dollar wind projects, Utah needs a renewable energy sales tax exemption comparable to Wyoming's.

In Texas in 1999, then-Gov. George Bush signed into law a renewable portfolio standard, requiring that a portion of the state's electricity come from renewable sources. The RPS includes a system of tradable "green tags," providing flexibility in how energy producers comply with the directive. RPS has been so successful that Texas has moved from having virtually no commercial wind power to become the nation's second-largest wind producer behind California! The development has been a boon to the state's rural economies and schools.

Given the nation's energy needs, wind power development is inevitable throughout the West. Why not develop it here to benefit Utah's economy, school children and future?

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